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Testimony of Eric W. Gjede  
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Before the Commerce Committee  
Hartford, CT  
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**Testifying in Support of RB 5018 An Act Establishing A Tax Credit For Businesses That Provide  
Scholarships For Manufacturing Training Programs**

Good Afternoon Senator LeBeau, Representative Perone, and members of the Commerce Committee. My name is Eric Gjede and I am assistant counsel at the Connecticut Business and Industry Association (CBIA) which represents more than 10,000 large and small companies throughout the state of Connecticut.

CBIA supports HB-5018 because it establishes a tax credit for businesses that donate more than twenty-five hundred dollars to scholarships that help Connecticut students attend manufacturing training programs in the state. The financial impact of this program to the state is limited in that the total amount of credits allowed to all businesses cannot exceed five hundred thousand dollars.

One of the most frustrating problems faced by manufacturers in Connecticut is their inability to hire enough skilled workers. Despite recent prolonged periods of high unemployment, manufacturers simply cannot find enough individuals with the skills needed to meet their labor needs. These open positions are almost always high paying jobs with excellent opportunities for career advancement.

Oftentimes, employers have dealt with this labor issue by promoting within their companies and then back-filling less skilled positions. However, the prospect of contributing to a scholarship used to train a future manufacturing labor force in exchange for a small tax credit would be perceived as an excellent investment by many manufacturers. The income tax paid by the graduates of these programs, as well as the payroll taxes paid by the manufacturers that hire them, would undoubtedly result in increased revenues for the state.

While this proposal will not solve all of our state's manufacturing labor force issues, it is a great first step. We urge the committee to support HB-5018.

